

FEDERAL ELECTION COMMISSION Washington, DC 20463

FER # 9 2004

Stephen J. Kaufman, Esq. Smith Kaufman LLP 725 S. Figueroa Street, Suite 3200 Los Angeles, CA 90017-5432

RE: MUR 5304

Andrei Cherny for State Assembly and Stephen J. Kaufman, as treasurer Shelley for Secretary of State and Jay Wallace, as treasurer

Dear Mr. Kaufman:

On October 2, 2002, the Federal Election Commission notified your client, Andrei Cherny for State Assembly, and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On October 2, 2002 and January 9, 2003, the Commission notified your clients, Shelley for Secretary of State and Jay Wallace, as treasurer, of the complaint. On January 26, 2004, the Commission found, on the basis of the information in the complaint and information provided by you and your clients, that there is no reason to believe that Andrei Cherny for State Assembly and you, as treasurer, or Shelley for Secretary of State and Jay Wallace, as treasurer, violated 2 U.S.C. § 441f. Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). A copy of the General Counsel's Report is enclosed for your information.

If you have any questions, please contact Ruth Heilizer, the attorney assigned to this matter at (202) 694-1598.

Sincerely,

Lawrence H. Norton

General Counsel-

BY: Lawrence L. Calvert Jr.

Deputy Associate General Counsel

for Enforcement

Enclosure: General Counsel's Report